

Yet like all other aspects of criminal activity, money laundering continues to evolve into newer and more complex forms. This is particularly true in the funding of terrorist organizations and operations. Therefore, money laundering remains not only a criminal racket but also poses a grave threat to our national security.

Tracking how terrorists obtain, store, and move illicit funds is among the most critical aspects of stopping their efforts. Among its recommendations, the 9/11 Commission report stated that, "Vigorous efforts to track terrorist financing must remain front and center in the U.S. counterterrorism efforts." We have made some significant strides in identifying how terrorists accumulate and move money, but more remains to be done. Terrorists and criminal networks continually evolve new ways of using legitimate means to launder illegally obtained funds. We must not underestimate the intelligence or resolve of these groups. Many have already utilized loopholes in current law to hide funds or circumvent required reporting to U.S. Customs officials.

Work must continue so that terrorists and other criminals are left without the ability to hide illegally obtained funds inside or in concert with legitimate means. We should commit to increasing pressure on these organizations to make money laundering as difficult and unprofitable as possible. And ultimately, we must give law enforcement and prosecutors the ability to effectively deal with criminals' ever-changing tactics.

The legislation that I am introducing today will strengthen our current money laundering statutes by streamlining those laws, closing those loopholes in the laws exploited by criminal organizations, and creating more efficient means for dealing with violators of money laundering laws. My bill goes about doing this in several ways.

First, my bill deals with the problem of "specified unlawful activities" or "SUAs." SUAs are predicate offenses required for current money laundering statutes to apply, and there are currently over 200 of them. As criminals continue to change methods of laundering money, the list of SUAs will continue to grow. This legislation will prevent criminals from turning to other means not designated as an SUA, and will consolidate the ever growing list of SUAs by including all federal and state offenses punishable by imprisonment for more than one year. Also, criminals will no longer be able to hide behind borders, as this legislation would subject violations in foreign countries that have an effect on the U.S. to the same penalties as if they had occurred in the United States.

Currently, most circuit courts must charge each violation of money laundering statutes separately. My bill will allow, at the election of the government, prosecutors to charge multiple acts under one count in an indictment.

This will significantly reduce the time and expense incurred by the courts in these cases, versus the current method of charging each and every violation separately.

Criminals have realized that the movement of large sums of money through traditional financial institutions will result in increased scrutiny and investigation. Therefore, many have turned to smuggling large quantities of money via a courier or bulk cash smuggling. They have developed techniques to avoid having to declare property with a value greater than \$10,000 and to protect those couriers who are caught. My legislation will remove the criminal's ability to get around current laws, and remove protections for the smuggler.

For example, current law requires that couriers know specifics about the illegal activities that produced the monies they carry before they may be prosecuted under money laundering statutes. As a result, many claim ignorance about the illegal origins of the money and are released. With my bill, couriers will now be held responsible for their actions, even if they try to claim ignorance. Therefore, law enforcement can get both the courier and the money off the street. This bill also would stiffen the penalty for bulk cash smuggling to 10 years.

Another tactic now being used by criminals is to have couriers carry blank checks in bearer form. The couriers argue that the check has no amount, so it is not subject to declaration. Once the courier arrives at his destination, he merely has to fill in the amount, whatever it may be. My legislation would remove this loophole by setting the value of any blank check in bearer form equal to the highest amount in that account during the time period it was being transported, or when it is cashed.

My bill also seeks to mitigate the tactics of "commingling funds" and "structured transactions." The "commingling funds" tactic involves depositing illegal money in an account with legitimate funds. Under current law, criminals can argue that money withdrawn from the account was from the legitimate sources. The language in this bill would clarify that transactions on accounts containing more than \$10,000 in illegally obtained funds will be considered a transaction involving more than \$10,000 in criminally derived property, regardless of how the other money in the account was obtained. Nor will criminals be allowed to avoid the law by structuring smaller transactions below the \$10,000 reporting requirement. Under my bill, individual but related transactions will be considered at their aggregate value.

Finally, this bill will provide the United States Secret Service with the legislative and financial resources it needs to combat counterfeiters and other criminals seeking to harm our financial systems. The U.S. Federal Reserve Note is the most identifiable cur-

rency in the world and the backbone of many other nations' economies. To help ensure continued stability of the Greenback worldwide, my bill will make illegal the possession of any materials used to make counterfeit currency. This is necessary because technology has evolved far beyond the old days of printing plates, stones, and digital images. Like the evolving tactics used by those in money laundering operations, the counterfeiter constantly changes his tactics and technologies. Furthermore, the crime of counterfeiting is becoming more and more international in scope every day. The Secret Service has identified counterfeiting operations in Colombia, Nigeria, Italy, Iraq, and North Korea. This is apparent in the use of bleached notes. Bleached notes are simply bills with low denominations being bleached with chemicals. This produces a blank canvas of genuine currency paper for counterfeiters to work with, to which they can add higher denominations. My bill will make it illegal to possess these bleached or otherwise altered notes, and give the Secret Service the authorization it needs to pursue these criminals outside the United States.

Additionally, this bill gives the Secret Service the authorization to use funds seized from criminals to pay for ongoing undercover investigations. This seems like common sense, and indeed, every other federal investigative agency has this authority. Tasked with protecting our financial systems, the Secret Service should be provided with all the resources necessary to fund its undercover operations. This makes even more sense, considering it's the criminals themselves who would be paying those bills. My bill provides that authority to the Secret Service and will allow them to continue the important work of protecting our financial infrastructure.

As I said, money is essential for the operation of any criminal or terrorist organization. The ability to get, move, and hide these funds is critical to the operations of both. We have had some success in thwarting this ability, as is evident by the constantly changing techniques for laundering money. We must continue to apply pressure on these groups, and do everything we can to identify and stop their financing operations. This bill is designed to do just that, and put these organizations out of business for good. I urge my colleagues to join me and my cosponsors, Senators KYL, CORNYN, and GRAHAM, in supporting this legislation to combat the financing of criminal and terrorist activities.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,